



LENDABLE LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Company Information	1
Statement of Financial Position as at 31 December 2020	2
Notes to the Financial Statements	3-8

COMPANY INFORMATION

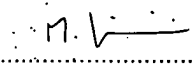
DIRECTORS:	K M Kissinger M J Rosel
REGISTERED OFFICE:	Lendable Ltd 128 Shoreditch High Street London E1 6JE
REGISTERED NUMBER:	08828186 (England and Wales)
AUDITORS:	BDO LLP 55 Baker Street London W1U 7EU

STATEMENT OF FINANCIAL POSTION AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
CURRENT ASSETS			
Debtors	5	1,659,488	237,317
Cash at bank and in hand		3,166,826	6,345,169
		<u>4,826,314</u>	<u>6,582,486</u>
CREDITORS			
Amounts falling due within one year	6	(4,816,314)	(6,572,486)
NET CURRENT ASSETS		<u>10,000</u>	<u>10,000</u>
Provisions for other liabilities		-	-
NET ASSETS		<u>10,000</u>	<u>10,000</u>
CAPITAL AND RESERVES			
Called-up share capital		3	3
Retained earnings		9,997	9,997
TOTAL EQUITY		<u>10,000</u>	<u>10,000</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were authorised for issue by the board of directors on 13 September 2021 and were signed on its behalf.


.....
K M Kissinger – Director

The notes on pages 3 to 8 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

Lendable Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparing the financial statements

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £. The company assessed its expected operating performance and liquidity requirements in light of COVID-19.

Given the parent company's strong balance sheet and having reviewed forecast income statement performance models, management have a more than reasonable expectation that the company has adequate resources to continue for the foreseeable future, accordingly the financial statements continue to adopt the going concern basis.

Consolidated financial statements

The company is a wholly owned subsidiary of Lendable Operations Ltd, its ultimate parent. It is included in the consolidated financial statements of Lendable Operations Ltd which are publicly available. The address of the parent's registered office is 128 Shoreditch High Street, London, E1 6JE, United Kingdom.

Other receivables

Other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise of cash held at banks. Cash held in trust or on behalf of investors is not shown on the balance sheet, due to there being an asset with an exact corresponding liability. Further information can be found in note 7.

NOTES TO THE FINANCIAL STATEMENTS

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at the prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits or against the reversal of deferred tax liabilities.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial assets and liabilities

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified receivable within one year are not amortised.

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

4. EMPLOYEES AND DIRECTORS

The average number of employees and directors during the year was 2 (2019 – 1).

5. DEBTORS: FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	1,659,488	237,317

NOTES TO THE FINANCIAL STATEMENTS

6. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Amounts owed to parent company	4,396,391	5,869,255
Taxation	-	578,316
Other creditors	300,100	124,915
Accruals and deferred income	119,823	-
	<u>4,816,314</u>	<u>6,572,486</u>

7. FINANCIAL RISK MANAGEMENT

The parent company, Lendable Operations Ltd, through the directors, has overall responsibility for the establishment and oversight of the company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The company's activities are reviewed regularly and potential risks are considered.

The company's risk management program seeks to minimise potential adverse effects on the company's financial performance.

Risk factors

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash and cash equivalents held at banks. There is no credit risk to the company from loans issued on the platform.

The company has implemented certain operational processes and policies to address the company's credit related risks around counterparty risk and transactional bad debt. The credit quality of the financial assets has been assessed and no further impairment is required.

Counterparty risk in relation to cash and cash equivalents held is managed by selecting and working only with appropriate financial institutions. The financial stability of the partners will be assessed prior to and at regular intervals during the relationship.

Transactional bad debt, or loss, risk is managed by regular monitoring. Revenue largely arises from fees charged and they carry no bad debt risk.

NOTES TO THE FINANCIAL STATEMENTS

The risk relates to small amounts that may be payable in exceptional circumstances. The company's maximum exposure to credit risk by class of financial asset is as follows:

	2020 £	2019 £
Trade and other receivables		
- Other debtors and cash in transit	1,659,488	237,317
- Cash and cash equivalents	3,166,826	6,345,169

Credit risk is mitigated as cash and cash equivalents are held with UK banks and UK financial institutions which are either PRA or FCA authorised. The above table excludes values where not classed as a financial asset.

	2020 £	2019 £
- Cash held on behalf of investors in restricted prefunding and distribution accounts	22,986,182	18,263,110

The above table represents cash held by Lendable Ltd in UK banks and UK financial institutions however these balances are held in trust on behalf of investors and Lendable does not have the risk and rewards for the cash held and therefore has not been recognised as an asset with a corresponding liability. Restricted prefunding and investor funds fall due in line with the underlying terms and conditions of the loan note subscription or loan purchase and servicing deed signed.

In the prior year financial statements cash was shown as including the restricted investor cash, with a corresponding liability. This has been shown as a restatement in the prior year in the financial statements so that it is not shown within cash at bank. Due to it being an equal amount against assets and liabilities there has been no impact on equity.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always be in a position where it has sufficient liquid assets to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's position.

It is in the company's operations to monitor the liquidity position on an ongoing basis. The amounts disclosed below are the contractual undiscounted cash flows.

As at 31 December 2020	Within 12 months
Financial assets	£
Other receivables	1,659,488
Cash and cash equivalents	3,166,826
	<u>4,826,314</u>
 Financial liabilities	
Amounts owed to group undertakings	4,396,391
Other creditors	300,100
Accruals and deferred income	119,823
	<u>4,816,314</u>

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2019	Within 12 months
Financial assets	£
Other receivables	237,317
Cash and cash equivalents	6,345,169
	<u>6,582,486</u>
Financial liabilities	
Amounts owed to group undertakings	5,869,255
Other creditors	124,915
Accruals and deferred income	-
	<u>5,994,170</u>

Market risk

The company does not have significant exposure to liquidity, cash flow or interest rate risk and therefore no sensitivity analysis for those risks has been disclosed.

Capital Management

The company considers its capital to comprise of ordinary share capital adding its accumulated retained earnings. The objective of the directors of the parent company, Lendable Operations Ltd, when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders.

The company is not currently subject to any specific externally imposed capital requirements; however the company is authorised by the Financial Conduct Authority. The company has in place adequate financial resources.

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The report of the Auditors was unqualified and there was no emphasis of matter paragraph.

The Senior Statutory Auditor who signed the audit report was Matthew Hopkins for and on behalf of BDO LLP, 55 Baker Street, London, W1U 7EU.

9. RELATED PARTY TRANSACTIONS

During the year Lendable Operations Ltd charged the company a management fee of £26,876,201 (2019 - £24,697,788), the remaining profit after tax was paid to the parent company in the form of a dividend amounting to £6,719,050 (2019 - £4,996,136).

Included in creditors at year end is an amount owing to Lendable Operations Ltd of £4,396,391 (2019 - £5,869,255), which is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

10. ULTIMATE PARENT UNDERTAKING

Lendable Operations Ltd continues to hold 100% of the issued share capital of Lendable Limited at 31 December 2020 and is therefore regarded as the immediate and ultimate parent undertaking.